

Infrastructure

Overview

GASBS 34 requires that major infrastructure assets acquired, significantly reconstructed, or that received significant improvements after 1980, be reported in the government-wide statement of net assets. Governments have been given the option of reporting infrastructure assets using either the historical cost or estimated historical cost.

This portion of the GASB 34 website has been developed to aid governments estimate historical cost based on the Road Jurisdiction Study developed by cities and counties in 1988.

Caution: Cost estimations should only be used when actual costs are not available. Prospective infrastructure reporting should always use actual costs or estimated fair market value at time of donation.

Examples:

Two examples we present below show how costs can be estimated and converted into construction dollars. The costs presented have been accepted as statistically representative costs by all local governments.

These examples presented are simplistic. When estimating historical costs it is advisable to obtain the assistance of persons knowledgeable in the construction and maintenance of infrastructure assets.

Schedules for Inflation Adjustments:

We included three tables for adjusting estimated costs to the construction period costs. They include the Consumer Price Index (used in the examples), ENR Construction Cost Index (1908 to 2001), and the Federal Highway Administration Highway Statistics 2000 (specific to highways).

Right-of-Way Costs:

The right-of-way costs must be reported as land, not as an infrastructure cost. The information shown was copied from the 1988 Road Jurisdiction Study, Appendix D. You may use the enclosed schedule to estimate the value of right-of-ways.

Construction Unit Costs:

We provide spreadsheets containing 1988 construction unit costs for bridges, roads, and railroad crossings.

Reference:

For a detailed discussion of infrastructure reporting see the 2002 Budgeting, Accounting, and Reporting System (BARS) Manual category 1, volume 1, part 4, chapter 2, section E; at <http://office.sao.wa.gov/RefGuide/BARS/barsc102.pdf>